

HOUSE BILL 4134

By Ferguson

AN ACT to amend Tennessee Code Annotated, Title 45,
Chapter 13 and Title 45, Chapter 20, relative to
mortgage lending.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-20-102(9), is amended by
deleting subdivision (A) in its entirety and by substituting instead the following:

(A) The principal amount of the loan does not exceed the conforming loan size
limit for a single-family dwelling as established by the federal national mortgage
association;

SECTION 2. Tennessee Code Annotated, Section 45-20-102(17), is amended by
deleting subdivision (A) in its entirety and by substituting instead the following:

(A) Four percent (4%) of the total loan amount, if the total loan amount is more
than thirty thousand dollars (\$30,000); or

SECTION 3. Tennessee Code Annotated, Section 45-20-102(12)(A), is amended by
inserting the following language at the end of the subdivision:

; provided, however, that "points and fees" shall include yield spread premiums received
as compensation by mortgage brokers;

SECTION 4. This act shall apply to all high-cost home loans applied for and closed on or
after the effective date of this act, except that, this act shall not apply to the extent it is
preempted by, or is in conflict with or inconsistent with the National Bank Act, the Homeowner's
Loan Act, the Federal Credit Union Act or regulations issued by the Office of the Comptroller of
the Currency, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation or the
Federal Credit Union Administration, and as interpreted by the federal courts, to national or

state banks or trust companies, federal or state savings institutions, federal or state credit unions, or the operating subsidiaries of any of the above.

SECTION 5. If any provision of this act or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision of or application, and to that end the provisions if this act are declared to be severable.

SECTION 6. This act shall take effect January 1, 2009, the public welfare requiring it.